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Spotlight

ON FOREIGN MARKETING

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TO U.S. AGRICULTURAL ATTACHES AND FAS STAFF MEMBERS

Vol. 1, No. 13

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October 18, 1957

DUTY FREE IMPORTATION OF COMMERCIAL SAMPLES AND ADVERTISING MATERIALS NOW A FACT. On October 17 the U. S. joined 24 other countries in an international agreement on the free entry of samples. It will make it easier for our exporters to send commercial samples and advertising materials to prospective customers abroad.

The agreement is regarded as an important step toward expanding world trade. Commercial samples are, in many cases, necessary to familiarize other countries with our products. They aid in acquainting buyers with our grades and standards, or basis for specifications, and permit prospective customers to see, feel, and taste the products which we are trying to sell.

The International Samples Convention was negotiated under the sponsorship of the contracting parties to GATT in response to suggestions by the International Chamber of Commerce.

In addition to the U. S., the participating countries in the samples agreement include most of Europe, Japan, India, Pakistan, Indonesia, Australia, New Zealand, and the Federation of Rhodesia and Nyasaland.

PRUNE PROMOTION IN EUROPE SHOWING GOOD RESULTS. The California Prune Advisory Board is continuing its European project to increase consumption of prunes. Satisfactory results from a previous promotion in Sweden and West Germany earlier this year prompted the industry to renew its efforts in the latter country this fall.

The outcome of the earlier efforts convinced the industry that sales could be increased if the promotion was backed up by the distributive trade. Subsequently, Board officials visited the import trade in a number of countries to elicit their cooperation in further promotions.

The campaign to date has stimulated much interest. Buying groups are arranging to contribute funds. Objective is to stimulate greater consumer interest in a commodity which is apparently being overlooked by a large segment of the younger generations.

The industry budget for this activity in 1957 is \$42,000 which is being supplemented by the equivalent of \$25,000 in Deutschmarks from Section 104(a) of P. L. 480.

ADDITIONAL EXPORT-IMPORT BANK INFORMATION appears in Special Spotlight Supplement 9-A, attached. It deals with additional commodities, not listed in the Bank's stepped-up credit program, and small loans (under \$10,000) which are also considered under certain conditions.

U. S. COLOGNE EXHIBIT DRAWS RECORD CROWDS. More than a half million persons visited the recent U. S. agricultural exhibit at the Cologne, Germany Trade Fair. Visitors expressed keen interest in U. S. methods of cooking, packaging and marketing. Foods were prepared in a modern kitchen. Many sampled citrus juices made from frozen concentrates; ate doughnuts, some fried in soybean oil, some in lard; tasted soybread, spread with lard in the German custom; and bought thousands of pieces of cooked U. S. poultry. The sale of samples of fried chicken was handled by the Institute of American Poultry Industries.

VENEZUELA IMPORTS MORE U. S. PUREBRED HOGS as part of its current hog industry development program. The Venezuelan Ministry of Agriculture recently imported 224 purebred American swine of the Hampshire, Duroc and Poland-China Breeds. The hogs are to be offered at cost price to interested buyers.

Two U. S. swine specialists are visiting various Latin American countries this month. They are: R. E. Judd, Executive Secretary, United Duroc Records Association, Peoria, Illinois; and Ralph Waltz, President, National Association of Swine Records, Hagerstown, Indiana. They were invited by the Chilean Association of Swine Breeders and Feeders to judge all breeds of swine at the National Show in Chile. They will also confer with breeders in Argentina, Brazil, Venezuela, and Mexico.

POULTRY INDUSTRY ISSUES EXPORT INSTRUCTIONS. Following the recent announcement of a dollar tender for U. S. poultry, issued by West Germany, the Institute of American Poultry Industries prepared and sent to its members a special bulletin. It spelled out the do's and don'ts in preparing poultry for Germany. These instructions, which appear in the attached supplement, could apply to poultry sales in other countries.. It is being sent along as an example of the type of cooperation needed to develop export markets of our farm products.

Earlier story on the sale of poultry to Germany appeared in SPOTLIGHT No. 12 - 9/17/57.

DECIDUOUS FRUITS ARE BEING PROMOTED IN EUROPE through the cooperation of the Cling Peach Advisory Board. The market development project for promoting sales of canned apricots, peaches, pears and fruit cocktail is now being carried out in nine European countries. The promotion ends December 31, 1957.

In addition to studying market possibilities, procedures and publicity materials, the cooperator is laying the groundwork for future efforts of this type.

The project is being financed with Italian lire from Title I, 104(a) funds and a dollar contribution from the Cling Peach Advisory Board.

CARRY-OVER STOCK OF DRIED EDIBLE PEAS are now available for export. Price for 100 pound bags FAS northwest ports, approximately \$5. Interested buyers may contact either the Pacific Northwest Pea Growers and Driers Association, Inc., Howard Hughes, Pullman, Washington, or the National Dry Pea Splitter's Association, Byrne Marcellus, Secretary, 332 South Michigan Avenue, Chicago 4, Illinois.

CCC MONTHLY SALES LIST FOR OCTOBER 1957: The following commodities are available: Butter, nonfat dry milk, cheddar cheese, wool, cotton (upland and extra long staple), peanuts, corn, wheat, oats, barley, rye, grain sorghums, flaxseed, rice (rough and milled), gum rosin, and gum turpentine.

Main change in the list this month is a shift to a new-crop (1957) basis of minimum pricing for domestic sales of corn. Dry edible beans have been dropped from the October list because all stocks have been sold.

Interest rates per annum under the CCC deferred payment program for October 1957 are 4-3/8 percent for periods up to six months, 4-7/8 percent for periods from over six and up to 18 months, and 5-3/8 percent for periods from over 18 months up to a maximum of 36 months.

CCC SALES FOR EXPORT. CCC has stopped, as far as possible, domestic sales of yellow corn grades 3, 4 and 5 and are now offering such grades on a bid basis for export. No. 2 corn will continue to be offered on a competitive bid basis as heretofore. From September 30 to October 11 over 9 million bushels of No. 2 corn were sold.

Sales of No. 3 barley continues to strengthen in both price and quality.

Ocean freight rates have apparently hit bottom and have turned upward, thus turning buyers' interest to early purchasing and shipping of feed and bread grains.

Peanut sales continue brisk and export interest is evident.

CCC WILL NOT SHIFT FROM BUSHELS TO HUNDRED FOR 1958 GRAIN OPERATIONS. The possible use of the cwt. measure at the beginning of the 1958 marketing year is now subject to further study.

The decision was made by USDA and grain trade officials at a recent meeting. Among the factors considered was the need to be certain that all concerned with grain handling, from producers to ultimate users, had full opportunity to understand just how they would be affected. Earlier details in SPOTLIGHT No. 6 5/20/57.

COMPULSORY POULTRY INSPECTION BY 1959. With the recent passage of the "Poultry Products Inspection Act," all poultry and poultry products moving in interstate and export trade after January 1, 1959, will be subject to Federal inspection. The Act becomes partially effective on January 1, 1958, when plants approved by USDA may be provided the service. Mandatory inspection should become an excellent selling point in building overseas markets for U. S. poultry and poultry products. In the meantime, attaches should suggest to prospective buyers that they should specify U. S. Grade "A".

FOREIGN TRADE INQUIRIES ON FRUITS AND VEGETABLES should be referred to appropriate American marketing associations. All posts recently received a revised list of these associations. They are in a position to handle inquiries impartially.

TABLE I, GUIDE TO COMMERCIAL SALES

Commodity	Unit	Grade, Type or Variety	Location	Latest Price week of 10/11/57	Price Year Earlier
Wheat 1/	Bushel	#2 H. W.	Galveston	\$2.31-2.41	\$2.43-2.50
"	"	#1 S. W.	Portland	2.33	2.26-2.27
"	"	#2 S. R. W.Vessel	Baltimore	--	2.38-2.39
Cottonseed Oil	Pound	B.P.S.Y.	Oct.Fut.N.Y.	.1482	.1575
Soybean Oil	"	Refined	New York	.1450	.1525
Cottonseed Oil	"	Crude	Valley	.1225	.1362
Soybean Oil	"	"	Decatur, Ill.	.1112-.1125	.1238
Linseed Oil	"	Raw	Minneapolis	.1450	.1270
Beans	100#	#1 Gr. Northern	Idaho Points	7.60-7.75	6.60-6.75
Soybeans	Bushel	#1	Chicago	2.25	2.28
Lard	Pound	Refined 50# tin	"	.1450	.1375
Tallow	"	Prime Inedible	Chicago-FOB	.0800	.0700
Greases	"	Choice White	" "	.0850	.0725
Cottonseed Meal	Sh. Tn.	41% Bagged	Memphis	51.00	54.50
Soybean Meal	" "	44% Bagged	Decatur	51.50	49.00
Cheese	Pound	Cheddar	Wis. Prim. Mkts.	.34125-.3600	.34125-.36
Milk, Evap.	Case	48-14 1/2 oz.	Pac. Cst. Mkts.	5.95-6.45	5.80-6.30
Eggs, Shell	Doz. Med.	Mixed colors	New York	.37-.38	.30-.31
" Dried	Pound	Whole	" "	1.08-1.16	1.00-1.20
Beef Trimmings	"	75-85% lean froz.	Chicago	.3000	.2200
Beef Hearts	"	Regular Frozen	"	.2000	.1250
Beef Livers	"	" "	"	.1500	.1300
Pork Trimmings	"	" "	"	.1850	.1700
Chicken, R. C.	"	Gr. A Broilers	New York	.2900-.3150	.3000-.3350
Turkey, R. C.	"	Gr. A Fr. -Rstr.	" "	.3900-.4050	.4350-.5000
Canned Apricots	Doz. #2-1/2	Choice Halves	FOB-Calif.	3.075	3.15
" Peaches	" "	" "	" "	2.60	2.70-2.75
" Pears	" "	" "	" "	3.15-3.25	3.50-3.60
Grapefruit Secs.	Doz. #303	Fancy, Lt. syrup	FOB- Florida	1.60	1.55
Orange Juice	Doz. 46 oz.	Sweetened	" "	2.25	2.85
Oranges, Fresh	Std. Ctn.	Size 163	FOB-Calif.	2.12	NA
Lemons, Fresh	" "	" "	" "	2.23	3.39
Raisins	Lb. Bulk	Natl. Thompson	FAS-Calif	.1275-.13	.125
Prunes	Pound	80-90	" "	.10-.11	.1175

TABLE II, C.C.C. PORT PRICES FOR EXPORT

Commodity	Unit	Grade, Type or Variety	Port Location	Latest Prices	Date of Sales 1957
Cotton	Pound	Upland	Any U.S. port and storage location	\$.2732	Sept. 30-Oct. 4
Corn	Bushel	#2 Yellow	Atlantic	1.24 - 1.25-1/4	" "
			Laredo	1.36-1/2 - 1.38-1/2	
			Gulf	1.20 - 1.22	
Grain Sorghum	Cwt.	- -	Gulf	1.90-5/8	" "
			Laredo	1.94-1/2	
Barley	Bushel	# 3 & 4	FAS Gulf & N.W. Ports	.88-5/8 - .92-1/4	" "
Oats	"	# 3 Heavy & # 5 Red	Gulf and Atlantic	.50-3/4 - .51-1/4	" "
Rice	Cwt.	Milled	Gulf	6.21 - 7.01	" "
Peanuts	Pound		Gulf	.0750	" "
Butter	"		Any U.S. port	.39 (fixed)	" "
Milk	"	Spray	Any U. S. port	.099 (fixed)	" "

1/ Domestic sales price. Export sales subject to IWA or CCC subsidy.

Export Credit Sales

The comparative chart of the CCC Export Credit Sales and Export-Import Bank programs contained in Supplement No. 9 to the August 21, 1957 Spotlight (Vol. 1, No. 11) lists the commodities currently eligible for financing under these two programs. For the Export-Import Bank program it should have been indicated that the commodities listed are those currently included in the Bank's publicly announced stepped-up program of assistance in financing exports of certain surplus commodities on which the Bank is placing emphasis in order to assist CCC in reducing its inventories or minimizing future CCC price support acquisitions. The chart should have indicated that changes in this list are made from time to time and also that the Bank from time to time, where appropriate, finances agricultural items not included in this list such as the two recent cattle loans to Mexico.

The following excerpts from the Export-Import Bank's Report to The Congress for the twelve months ending June 30, 1957 is of interest in connection with an apparent misunderstanding on the part of overseas importers that the Bank's financing is limited to large-scale loans.

"Not all credits of the Export-Import Bank are in the category of a million dollars or more, however, as the Tabulation ... shown below ... summarizing the Bank's operations in FY '57 makes clear. While project loans for economic development are usually in amounts of several million dollars each and originate with the overseas borrower and purchaser of United States equipment and services, the greater number of credits are usually of smaller denominations and originate solely with United States suppliers or financial institutions. These credits, known as exporter credits, numbered 143 this year and ranged from as low as \$1,925 (which the Bank extended in participation with a private United States financial institution for a transaction in Guatemala in FY '57) to the thousands, or to the hundreds of thousands of dollars, with some in the millions."

"The increase in this type of assistance by the Bank in United States overseas trade is disclosed by the following breakdown of exporter credits by size, comparing fiscal years 1957 and 1956:

Size of Credits	Number of Credits		Amount of Credits	
	FY 1957	FY 1956	FY 1957	FY 1956
Under \$10,000	54	10	\$ 270,075	\$ 40,000
\$10,000 to \$25,000	26	15	463,700	250,580
\$25,001 to \$50,000	15	19	556,425	749,600
\$50,001 to \$100,000	15	30	1,132,700	2,384,500
\$100,001 to \$250,000	20	28	3,186,310	4,325,000
Over \$250,000	13	23	49,380,500	26,298,500
Total	143	125	\$54,989,710	\$34,048,180"

While the above refers to the Bank's exporter credit program on industrial equipment, it is generally indicative of the Bank's readiness to consider loan proposals for comparatively modest sums.

SHIPPING INSTRUCTIONS FOR U. S. POULTRY TO WEST GERMANY

(Issued by the Institute of American Poultry Industries)

Recently, a dollar tender was issued by West Germany, which makes possible the sale of U.S.A. poultry to Germany for dollars. Germany is the largest importer of poultry ... they have bought primarily from the Netherlands, Hungary, Poland, and Denmark. Last year, for the first time, under a P.L. 480 authorization, about 4 million pounds of U.S.A. poultry went to Germany. Institute and FAS personnel, who went abroad, and those on our staff stationed at our office in Frankfurt, were able to make firsthand observations of the reception our U.S.A. poultry received ... and the comments about it.

Under the new dollar tender, those German importers who have licenses will buy U.S.A. poultry in accordance with the specifications of the tender. We must do all we can to create a permanent demand in Germany for our products. To do this, we must be sure our products meet the wants and needs of the importers, retailers, and the consumers.

If you sell poultry under this dollar tender -- or in any other way in the future -- to Germany, you will find it to your advantage to keep in mind these recommendations prepared by your Institute staff. They are based on experiences with previous shipments which have gone to West Germany. They are of vital importance in helping you keep a share of this market.

1 - Poultry shipped must be Grade A quality -- first, last and always.

2 - There should be a clear, mutual understanding of the merchandise represented in each transaction between exporter and importer.

3 - Uniformity is vital!

- a) Uniformity in weight of packages. To conform with weights from other exporting countries, the packages (except turkeys) should weigh 20 kg. (44 lbs.).
- b) Uniformity in weight of individual birds in each box. The variation should be less than 2 ounces (50-60 grams). Restaurants, particularly, figure costs and sales very closely and insist on uniform sizes, especially in the lighter-weight birds.
- c) Uniformity in terminology as to kind:

All young stock broilers, fryers and roasters should be marked with code letter "J". (Junge is German for young).

Fowl, soup hens, stewing chickens should be marked with code letters "SH". (Suppenhuhner is German for soup hens).

Ducks should be marked with code letter "E". (Enten -- German for duck).

Turkeys should be marked "TU". (German word for turkey is puter or puten, but "P" would correspond to another language term for another type of poultry entirely).

- 4 - Birds should be plumped before freezing (pressing legs and wings close to breast):
 - a) to minimize stretched-out and scrawny appearance.
 - b) to conform with appearance of exports from other countries which do a good job of hiding heads and feet and for making breasts appear more prominent when the box is opened.

The product should be thoroughly drained before freezing to avoid excessive ice in bags and wrappings.

- 5 - Birds should be individually wrapped to allow easy separation in the frozen state. Wax paper is preferred for chicken and ducks. Shrinkable film for turkeys.
- 6 - Packages must be strapped or wired two ways to prevent pilfering.
- 7 - Boxes must be marked with special attention given to legibility.
 - a) Metric weights, in addition to our own system of weights, should be shown on boxes. Metric weights on individual birds not absolutely necessary at present time.
 - b) Code letter to show kind (see 3c).
 - c) Ready-to-Cook. Do not mark birds or cartons "eviscerated," "drawn," or "pan-ready." German advertising features always the words "ready-to-cook."
 - d) Product of U.S.A.
 - e) Processor or distributor name.

Do everything with the idea foremost in mind that these are new customers to be cultivated to the use of a product we are proud to offer. Keep them coming back for more because the quality was better than anything they ever bought before. If you make a shipment in which there is a question of quality -- or results in a misunderstanding or dissatisfaction -- you are harming not only your future sales, but the whole industry as well.